



Automating Time and Attendance Management for Increased Efficiency and Profits

The Case of Blue Square Retail Chain

Blue Square, a leading chain of retail stores in Israel and a member of the Alon Group, operates approximately 200 branches with more than 8000 employees throughout the country.

The retail chain sought a comprehensive and centralized employee time and attendance management solution to replace the independent systems operating in their branches and to streamline the work both at headquarters and at the branches.

Deployment of Synerion's central time and attendance management system enabled the automation and tracking of day-to-day operations. Customized to meet the organization's specific requirements, the system includes Blue Square standards, employment agreements, work procedures and regulations, union contracts, and shift patterns.

Payroll is prepared according to the organization's requirements and takes into account the employees' actual working hours, overtime, sick leave, vacation entitlement and utilization, and every other type of attendance or absence.

In less than two years, some 200 Blue Square branches have implemented Synerion state-of-the-art workforce management systems. With Synerion's WFM suite of solutions, Blue Square was able to achieve visibility, accessibility, and availability of employee information, to increase efficiency and save on operational costs.

The Challenges: Centralizing and Automating Time & Attendance Management

Lack of a Unified System for Branches

Preparation of payroll required a great deal of manual labour in order to consolidate and verify the data from the different branches. Since there was no single unified system that provided an overall comprehensive view, each branch had its own independent system with its own interpretation of the guidelines and procedures. Considerable efforts were required, therefore, to set up a common structure for all the branches.



Blue Square



“ Our retail chain saved more than 2 million NIS a year after the move to automated management of employee time and attendance by means of the centralized Synerion system.”

Moshe Shatz, Head of the HR Department, Blue Square

Labour-Intensive and Error-Prone Process

As part of their job, Blue Square employees often move from one branch to another. In the absence of a centralized system, at the end of each month the payroll department had to collect manually employee attendance data, i.e. at which branch he/she worked, when, and for how long. They had to find exceptions, match reports with certificates, and make the necessary corrections. At the end of each month, the payroll department had to import a raw payroll file that included sick leave and annual leave data; go over a large amount of paperwork and summarized Excel reports; find exceptions; match reports with certificates; and make corrections. Finally, they had to consolidate the employee attendance cards from the different branches in order to produce a unified "real-time" view for each employee. Lack of a unified system affected both operating efficiency at each branch and the organization's ability to guarantee that employee agreement requirements were observed.

Exposure to Risks

The Blue Square retail chain operates in a labour-intensive environment characterized by multiple work agreements and budget items. Errors in the assignment of employees to budget codes and employment agreement can lead to non-compliance with existing agreements as well as miscalculations of salaries.

Lack of Reliable Data in Real-Time

With the decentralized and independent branch systems and the import of raw data files, it was difficult to verify the reliability of the data provided by each branch and employee. Most often, data validation and changes in budget code assignments were done retroactively. Corrections were often needed after data had already been transferred for payroll processing, which made everyday decisions about workforce and budget difficult for branch managers in the field and for headquarters.

The Solution: Implementation of Synerion's WFM Suite

Blue Square chose Synerion as its provider of time and workforce management solutions. With Synerion WFM solutions, Blue Square achieved full transparency of attendance reporting in real-time as well as accurate payments of wages with all the information residing in a central database. The net results were:

Increased efficiency in managing employee time and attendance

Automating the processing of employee attendance data increased worker efficiency in many departments:

- **Branch managers** gained visibility of their workforce in real-time, including sick leave and vacation balances. Vacation authorization is now based on verification of balances and quota utilization.

- **Regional managers** can quickly approve and modify employee data, without having to wait for information from the branches. The reporting system, which includes reports on deviations and irregularities, allows managers to focus on issues that require attention, shortening response time and spreading the work across the entire month rather than concentrating it in the short time available before processing the payroll.
- **Human Resource Department** employees no longer need to collect, verify, and validate the data manually against reports from the branches. Verification is performed on-line based on the exceptions reports, with the data and the input of the branch and regional managers readily available to HR employees. Streamlining the process made it possible to delay the transfer of data to payroll as close to pay day as possible.
- **IT Department.** The transition to a centralized system that can be deployed at the various branches by means of a Citrix application enables easy and uniform maintenance at all branches. The addition of a branch to the system merely involves entering a name and password, without the need to install any software.

Improved communication and a comprehensive view

The transition to an automated system simplified communication between the many functions involved in the process: the employee, branch manager, regional manager, regional personnel manager, and the HR department. Everyone views the same information, depending on their authorization level. Comments and relevant documentation are stored in the system for verification and for flagging deviations. Employee attendance and absence data are collected automatically, on a routine basis, and close to the time of the event, rather than once a month. Reports are verified against actual attendance. All documentation is saved in the system and is available on demand.

Reduced payroll bottlenecks and improved data reliability

The WFM system tracks changes, including the nature of the change and who made it, to ensure that work is carried out in accordance with the relevant laws and procedures. Consequently, bottlenecks in the HR department during the week before payroll preparation have been reduced, and the accuracy of data has improved. Finally, time was freed up for proper monitoring that reduces the need to pay advances to employees or to make retroactive deductions from their pay check.

Reduced exposure to risks of errors and non-compliance

Working with a unified central system ensures that all branches are in compliance with labour laws and regulations. If it is necessary to update a work agreement, it is possible to check its implications immediately and apply it to all the branches, even retroactively.

Employee onboarding processes have been simplified, and system alerts prevent a situation in which an employee who was fired from one branch can be hired at another.



“ Increased efficiency in the processing of payroll by the HR and Payroll Departments saved approximately 1 million NIS to the organization. We are now focusing on cases that require special attention rather than investing resources in data processing and analysis to flag exceptions.”

Ronit Ben-Yehuda, Project Manager, Blue Square

Accurate calculations of time worked and corresponding pay

The uniform system collects employee attendance data regardless of the branch where the employee happens to be (for both internal employees and employment agency workers), producing an accurate picture about the total number of hours worked and the associated payments, including overtime. The labour costs of each employee are allocated proportionately to each branch/department, without the need for intervention by the HR department, and in a way that enables branch managers to assess their budget utilization and act accordingly.

Control over payroll expenses

Transition to the Synerion time and attendance system made it possible to establish the link between the employee, the employment agreement, and the relevant budget code. Automated interface between the payroll and the attendance systems ensures that payment to the employee is from the appropriate budget item, based on actual working hours, and in accordance with employment agreements and labour laws. Correct budget allocation prevents misassignment of costs to non-operational departments and the resulting increase in their operating expenses.

Expanded monitoring options and greater flexibility

Managing vacation and sick leave balances centrally, and making the data accessible to managers eliminates situations in which vacation days that exceed the quota are approved and paid for. The Synerion system expanded monitoring options and methods, and obviated the need for preventive actions and for offsetting overtime with vacation days when the employee accumulated a vacation balance in excess of the annual quota.

The number of line positions at the branches is greatly affected by seasonal changes and by turnover. The new Synerion system provides the required flexibility to adjust to changes in workforce needs. Decision making simulations allow testing the effect of overtime on the budget, adding and removing line positions, and even the timing of employee breaks and their effect on total costs.

Reducing the hours of paid overtime

Transition to the automated system for managing time and attendance provides tighter control over the recording of the number of hours worked. In the past, overtime was paid to the managerial staff at the branches even if they did not exhaust their allocated quota of regular working hours. With the new system, payment to all employees is linked to the employment agreement and the actual working hours as they appear in the attendance system, taking into account allocated quotas and breaks.



“ **Our retail chain saved more than 1 million NIS in payroll expenses by the precise measurement of actual working hours, break times, compensation for night work, and by checking compliance with the global monthly employee quotas.**”

Naomi Barzilay, Payroll Data Manager, Blue Square



“ **The transition to a single centralized system using Synerion’s solution increased the efficiency of the support and maintenance team, so that now one person can support almost 200 of our branches.**”

Odelia Levanon, Head of the IT Division, Blue Square

The availability of information also enables to monitor and approve the conversions of overtime to workdays (offset), if an employee has filled his quota of working hours. This results in improved efficiency and better utilization of the overtime quota, while at the same time protecting the employees' rights.

Decrease in administrative costs and paperwork

The automated system for time and attendance management made employee data available to managers and employees alike, including internal and contract employees, without the need to query HR or payroll department employees for information.

Data at the branch, regional and headquarter levels is entered directly and independently by the managers, without clerical assistance. Data is monitored by means of a built-in reporting system that shows comparative data. For example, sick leave authorization is compared to the attendance report, highlighting problems through exception reports. Other reports included are the Duplicate Employees monitoring report (contractors and internal employees), or the Agreement per Position monitoring report.

The WFM system eliminates an enormous amount of paperwork, and makes the printing of reports unnecessary. With the reduction in paperwork, the cost of storage is also reduced.

The Benefits

- Improved efficiency in the management of employee time and attendance
- Improved accuracy in data processing and its transfer to payroll
- Reduced exposure to risks of non-compliance
- Accurate calculations of overtime and associated payments
- Reduced administrative costs and manual paperwork

For more information on Synerion products, please visit www.synerionwfm.com